

Feed the Future Innovation Lab

For Collaborative Research on Nutrition - Asia

DAI - Annual Report - Year 3

Feed the Future Innovation Lab

For Collaborative Research on Global Nutrition

Annual Report

DAI

Year 3 (2012/2013)

Nutrition Innovative Lab - Asia

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The objective of DAI's Year 3 work under the Nutrition Innovation Lab was to:

- Design and implement, based upon recommendations from last year's market survey of complementary foods, and working through a Nepali strategy organization, a pilot project to build the capacity of a cottage-industry organization in Kathmandu to improve the production of their complementary food product, Sarbottam Pitho.
- Produce training materials from the capacity building exercise.

The work in Year 3 is a no-cost extension from Year 2.

More specifically, we worked in Year 3 with a cottage industry in Kathmandu—Chhimeki, an NGO. Chhimeki had begun producing a processed, fortified complementary food (PFCF), Sarbottam Pitho. Their management is a women's cooperative which sells directly to households through their volunteers. Chhimeki's volunteers provide nutrition education along with sales of the PFCF. Chhimeki produces and sells a PFCF targeting the urban poor in 11 wards who are less able to afford commercially-marketed products and thus are currently not purchasing PFCFs. The fortification is from a micronutrient premix containing iron, folic acid and vitamin A. However, they were producing the product under capacity and the food tasted more like a medicine than a cereal. Under the auspices of the Nutrition Innovation Lab, we wanted to offer Chhimeki some technical assistance.

In November 2012, DAI issued an RFP with a Terms of Reference to provide the following to Chhimeki:

- Conduct an operational audit to improve the production, packaging, and distribution process to reduce unit production costs in the expanded facility. The purpose of the audit was to examine the cost structure of production, marketing, and sales, and also the general capabilities of the volunteer staff to offer nutrition counseling, and effectively market the product.
- Provide initial training to Chhimeki management in business planning and assist them to develop a business plan for expanded operations. The business plan was to establish a strategy for product improvement, pricing, marketing, and sales. Based on the audit above, technical support to Chhimeki management would assist them to determine the feasibility of adding a marketing and sales staff person to guide the volunteers and to expand beyond the areas covered by volunteers. The business plan would also address basic and essential production practices to ensure product quality and hygiene.
- Begin to conduct taste tests of the existing and alternate formulations and processing methods. Variations were to include ingredient proportions, additional ingredients, grinding and roasting sequence, roasting time, and granularity based on grinding settings.
- Draft training materials based on these tasks.

DAI received three proposals to conduct this work, and chose Right Direction Nepal of Kathmandu based on the scoring criteria laid out in the RFP. They did a fantastic job, providing excellent technical support to Chhimeki, communicating and sharing drafts with DAI and our consultant in Kathmandu. They worked so closely in many aspects of the business of producing Sarbottam Pitho, including and going beyond conducting operational audit, business plan, and taste testing, that they exceeded expectations.

The outputs are attached:

1. “Cottage Industry Production of Fortified Complementary Foods in Kathmandu, Nepal: Business Technical Assistance for Management, Planning, Operational Audit, Taste Testing, and Formulation”
(Corresponds to the first three bullet points above)
2. “Training Module: Producing a Complementary Food Product”
(Written in generic training language, we hope this will be of use to other Nutrition Innovation Lab partners)

And in addition to the requirements, a report on their two-day training with Chhimeki in June 2013:

3. “Support to the DAI Nutrition CRSP Capacity-Building for Complementary Foods Activity: Training Report”

A key finding was that the NGO Chhimeki and the affiliated for-profit organization, Chhimeki Multipurpose Cooperative Industry (CMCI), were not properly set up as a business, mixing models of grant funding that covered staff salaries, and profits from sales. RDN trained and mentored extensively on management, accounting, business planning in the hopes that CMCI could sustain their production of a new and improved Sarbottam Pitho beyond the life of their current grants. Our conclusions and recommendations at the end of the first output address this issue.